

Date of Public Notice: March 23, 2010
**PUBLIC NOTICE OF A SUBSTANTIAL AMENDMENT TO THE CITY OF SAN
DIEGO'S 2010-2014 CONSOLIDATED PLAN**

PUBLIC NOTICE: The City of San Diego (City) and San Diego Housing Commission (Housing Commission) are inviting comments on a proposed substantial amendment to the City of San Diego's 2010-2014 Consolidated Plan (Consolidated Plan). The public comment period begins April 6th, 2010 and ends May 5th, 2010. Comments must be submitted by May 5th, 2010 to be considered by staff and decision making authorities in their final review of the proposed amendments. Please send your written comments to: Victoria Joes, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, CA 92101 or e-mail your comments to victoriaj@sdhc.org

SUBJECT:

The City is proposing to transfer administration of the Emergency Shelter Grant (ESG) to the Housing Commission. The ESG program provides funding for programs that help persons who are homeless and their families. ESG can be used for shelter rehabilitation: operations and maintenance of a homeless facility: supportive services for persons who are homeless (e.g., job training or child care): and homeless prevention activities.

The Substantial Amendment also identifies the Housing Commission as the lead agency for the HOME program, as previously approved by San Diego City Council, Resolution R-284352, adopted on July 26, 1994.

The amendment affects the Consolidated Plan's Executive Summary pages 2-3, Introduction pages 2-3, and the Strategic Plan pages 2-3 "Lead and Participating Organizations" sections.

PUBLIC HEARING

Two public hearings are scheduled for the proposed substantial amendment. The first hearing will be held on April 21, 2010 at the San Diego City Land Use and Housing Committee at 202 "C" Street, 12th Floor, City Council Committee Room, San Diego, CA 92101. The Land Use and Housing Committee begins at 2:00 p.m. The second hearing will be held May 11, 2010 at San Diego City Council at 202 "C" Street, 12th Floor, Council Chambers, San Diego, CA 92101. This item is noticed for the 2 p.m. session.

The proposed amendment is available for review on the City's and Housing Commission's websites: www.sandiego.gov/cdbg and www.sdhc.org. Please provide comments at the hearing or submit your comments in writing to Victoria Joes, San Diego Housing Commission, 1122 Broadway, Suite 300; San Diego, CA 92101 or via e-mail to victoriaj@sdhc.org.

Lead and Participating Organizations

The following organizations participate in the Consolidated Planning process:

- **The City of San Diego.** The City of San Diego is the lead agency for the completion of the Five-Year Consolidated Plan, annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER). The city receives and administers the following HUD block grant programs:

- ~~HOME. The HOME Investment Partnerships Program was created in 1990. This program provides federal funds for a variety of housing activities including construction of affordable housing, acquisition and rehabilitation of affordable housing, owner-occupied housing rehabilitation, homebuyer downpayment assistance and counseling, and tenant-based rental assistance.~~
- **ADDI.** This is the newest HUD block grant program, created in 2003. The original intent of the program was to offer additional funds for downpayment assistance and increase homeownership, especially for minority groups; and
- **CDBG.** The Community Development Block Grant (CDBG) is both the oldest and largest of the HUD programs for housing and community development. CDBG can be used for:
 - construction and rehabilitation of community facilities including those that help special needs populations (e.g., homeless shelters);
 - removal of accessibility barriers from public buildings;
 - loans or grants to business for job training and hiring of lower income workers; demolition of property;
 - provision of operating dollars to social service organizations;
 - public infrastructure improvements (streets, sidewalks);
 - code enforcement;
 - housing activities, infrastructure extension in support of affordable housing, housing rehabilitation; site acquisition; lead-based paint detection and removal; and downpayment assistance; and
 - social service programs including childcare, homeless services, youth programs, crime, disability services, and neighborhood revitalization and senior services.

- ~~ESG. The Emergency Shelter Grant (ESG) program funds programs that help persons who are homeless and their families. ESG can be used for shelter rehabilitation, operations and maintenance of a homeless facility, supportive services for persons who are homeless (e.g., job training or child care), and homeless prevention activities.~~

- **San Diego Housing Commission.** The San Diego Housing Commission is the lead agency for the HOME and Emergency Shelter Grant programs.

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affordable housing; acquisition and rehabilitation of affordable housing; owner-occupied housing rehabilitation; homebuyer downpayment assistance and counseling; and tenant-based rental assistance;

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- ESG. The Emergency Shelter Grant (ESG) program funds programs that help persons who are homeless and their families. ESG can be used for shelter rehabilitation; operations and maintenance of a homeless facility; supportive services for persons who are homeless (e.g., job training or child care); and homeless prevention activities.

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- **San Diego County Department of Housing and Community Development.** The final HUD block grant program, HOPWA—Housing Opportunities for Persons with HIV/AIDS, assists organizations that serve persons with HIV/AIDS with Acquisition, Rehabilitation or construction of affordable housing units; Short-term, Mortgage payment or Utility payments to prevent homelessness; Housing Information and Referral; Housing operations; Project or Tenant Based Rental Assistance; Resource Identification and related Support Services. HOPWA funds are granted to the largest jurisdiction within a County (in this case, San Diego). The city and county have agreed that the county will administer HOPWA funds.

The city retained BBC Research & Consulting (BBC) of Denver to complete the city's Five-Year Consolidated Plan.

Top Housing and Community Development Needs

The top housing needs identified through the quantitative (data collection and analysis) and qualitative (public input) research conducted for this Consolidated Plan are summarized in this section.

Top housing needs identified in quantitative research

Affordable housing—both rental and homes to buy. Although San Diego has been hit hard by the housing market crisis, housing prices are still very much out of reach to the city's lowest income residents, including those who rent, those who want to buy and existing owners. One reason is that housing costs have increased much faster than incomes since 2000. Specifically,

- In 2007, a renter in San Diego is paying \$446 more per month for the median rental unit than in 2000. This renter would need to earn \$17,800 more per year to cover the cost of this increase without being cost burdened. By comparison, the median income for renters in San Diego increased by \$12,000 between 2000 and 2007.
- Owners would need to earn about \$100,000 more to be able to afford the median priced home than they would have needed to earn in 2000. The median household income of San Diego owners has increased since 2000—but only by \$22,130.

When housing costs increase faster than incomes "cost burden" increases. In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is "affordable" if no more than 30 percent of a household's monthly income is needed for rent, mortgage payments and utilities. When the

Compliance with Consolidated Plan Regulations

The City of San Diego's FY2010-2014 Consolidated Plan was prepared in accordance with Sections 91.100 through 91.230 of the U.S. Department of Housing and Urban Development's Consolidated Plan regulations.

Lead and Participating Organizations

The following organizations participate in the Consolidated Planning process:

- **The City of San Diego.** The City of San Diego is the lead agency for the completion of the Five-Year Consolidated Plan, annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER). The city receives and administers the following HUD block grant programs:
 - ~~HOME. The HOME Investment Partnerships Program was created in 1990. This program provides federal funds for a variety of housing activities including construction of affordable housing, rehabilitation of affordable housing, acquisition of buildings for affordable housing, homebuyer downpayment assistance and counseling, and tenant based rental assistance.~~
 - **ADDI.** This is the newest HUD block grant program, created in 2003. The original intent of the program was to offer additional funds for downpayment assistance and increase homeownership, especially for minority groups; and
 - **CDBG-housing related.** In past years, a portion of the city's CDBG grant was allocated to SDHC for housing activities. CDBG regulations allow fewer housing activities than HOME; CDBG can fund infrastructure extension in support of affordable housing, housing rehabilitation; site acquisition; lead-based paint detection and removal; and downpayment assistance.
- The city also manages the federal CDBG and ESG programs, in addition to social service programs including childcare, homeless services, youth programs, crime, disability services, and neighborhood revitalization and senior services.
 - **CDBG.** The Community Development Block Grant (CDBG) is both the oldest and largest of the HUD programs for housing and community development. In addition to the housing activities described above, CDBG can be used for:
 - construction and rehabilitation of community facilities including those that help special needs populations (e.g., homeless shelters);
 - removal of accessibility barriers from public buildings;
 - loans or grants to business for job training and hiring of lower income workers; demolition of property;
 - provision of operating dollars to social service organizations;
 - public infrastructure improvements (streets, sidewalks); and
 - code enforcement.

➤ ESG. The Emergency Shelter Grant (ESG) program funds programs that help persons who are homeless and their families. ESG can be used for shelter rehabilitation, operations and maintenance of a homeless facility; supportive services for persons who are homeless (e.g., job training or child care); and homeless prevention activities.

➤ San Diego Housing Commission. The San Diego Housing Commission is the lead agency for the HOME and Emergency Shelter Grant programs.

➤ HOME. The HOME Investment Partnerships Program was created in 1990. This program provides federal funds for a variety of housing activities including construction of affordable housing; rehabilitation of affordable housing; acquisition of buildings for affordable housing; homebuyer downpayment assistance and counseling; and renter-based rental assistance.

■ ESG. The Emergency Shelter Grant (ESG) program funds programs that help persons who are homeless and their families. ESG can be used for shelter rehabilitation; operations and maintenance of a homeless facility; supportive services for persons who are homeless (e.g., job training or child care); and homeless prevention activities.

■ **San Diego County Department of Housing and Community Development.** The final HUD block grant program, HOPWA—Housing Opportunities for Persons with HIV/AIDS, assists organizations that serve persons with HIV/AIDS with acquisition, rehabilitation or construction of affordable housing units; operations of facilities; rental assistance and short-term emergency payments to prevent homelessness. HOPWA funds are granted to the largest jurisdiction within a County (in this case, San Diego). The city and county have agreed that the county will administer HOPWA funds.

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Organization of Report

The Consolidated Plan is organized into eight sections and the Citizen Participation Plan attachment.

- Section I is the introduction to the report.
- Section II provides a demographic, economic and housing market overview of San Diego.
- Section III contains a housing market analysis and determination of the housing needs of special populations. For the purpose of the Consolidated Plan, special populations include elderly, particularly frail elderly; persons with physical disabilities; persons with developmental disabilities; persons with severe mental illnesses; persons with substance abuse problems; persons with HIV/AIDS; at-risk youth; victims of domestic violence and persons who are homeless and at-risk of homelessness.

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3-5 Year Strategic Plan General Questions response:

Geographic allocation. In the past, the City of San Diego has used a district-based geographic allocation for CDBG. This allocation formula considered the number of low and moderate income household in each City Council district and allocated CDBG dollars proportionately. The city is currently in the process of exploring other alternatives for allocating CDBG dollars; this effort is being led by a sub-committee of city leaders.

The programs funded by HOME, ESG and HOPWA dollars provide direct benefits to low and moderate income populations. These dollars are not allocated geographically. The location/place of residence of the low and moderate income households and of affordable housing developments determines the overall geographic allocation of these funds.

Obstacles to meeting needs. Although the City of San Diego benefits from local and state sources of revenue for affordable housing and community development, the dollars available to address housing and community development needs are small relative to total needs. The current economic climate is particularly challenging for the city: The city is seeing a new wave of homelessness related to the housing market, revenues to address needs have fallen, residents are losing their jobs and businesses are not hiring.

On the plus side, home prices have fallen, enabling more moderate income renters to afford to buy homes under conventional financing. In addition, the city will benefit from new federal funds to address many of its most acute and community development needs.

Managing the Process (91.200 (b))

1. Lead Agency. Identify the lead agency or entity for overseeing the development of the plan and the major public and private agencies responsible for administering programs covered by the consolidated plan.

The City of San Diego. The City of San Diego is the lead agency for the completion of the Five-Year Consolidated Plan, a Annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER). The city receives and administers the following HUD block grant programs:

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2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who

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